

RETURN TO CIA LIBRARY

COPY NO. 00

~~SECRET~~

~~RECORD COPY~~

~~RECORD COPY~~

~~RECORD COPY~~

# WEEKLY SUMMARY



Number 81

16 DEC 1949

F-5

Document No. 001

NO CHANGE in Class. ☐

☒ DECLASSIFIED

Class. CHANGED TO: TS S C

DDA Memo, 4 Apr 77

Auth: DDA REG. 77/1763

Date: 31-1-78 By: 013

## CENTRAL INTELLIGENCE AGENCY

*Archival Record*

*Return to Archives & Records Center*

*Immediately After Use*

~~SECRET~~

1. This publication contains current intelligence exclusively and therefore has not been coordinated with the intelligence organizations of the departments of State, Army, Navy, and Air Force.
2. This copy may be either retained, or destroyed by burning in accordance with applicable security regulations, or returned to the Central Intelligence Agency.

**WARNING**

This document contains information affecting the national defense of the United States within the meaning of the Espionage Act, 50 U.S.C., 31 and 32, as amended. Its transmission or the revelation of its contents in any manner to an unauthorized person is prohibited by law.

SECRET

C O N T E N T S

	Page
HIGHLIGHTS .....	1
UNITED NATIONS .....	2
WESTERN EUROPE .....	4
NEAR EAST - AFRICA .....	8
FAR EAST .....	10
ARTICLE:	
The Internationalization of Jerusalem . . .	14

SECRET

**SECRET****H I G H L I G H T S**

The UN decision to internationalize Jerusalem will add to the general confusion of the Palestine situation and underscore once again the inability of the UN to force the Arabs and the Jews to comply with any decision with which they disagree (see page 14). By committing itself to an unrealistic and unenforceable measure, the UN has bared itself to charges of irresponsibility and has seriously impaired the effectiveness of its machinery in other aspects of the Palestine case.

In the Far East, this week marked the virtual end of all Nationalist resistance on the mainland of China (see page 11). The remote mountainous regions of Sikang pose no threat to Communist control; Pai Chung-hsi can offer little resistance from the Island of Hainan; and prospects for the defense of Taiwan by Chiang Kai-shek continue to deteriorate. Meanwhile, the only question concerning recognition of the Chinese Communist regime appears to be one of timing; the UK, India, and Burma will probably recognize within six weeks, with most other governments following suit by mid-1950 (see page 10).

- 1 -

**SECRET**

**SECRET****UNITED NATIONS**

**Assembly Record** Perhaps the major accomplishment of the recent General Assembly session was the resounding defeat of the USSR in the continuing war of ideas between East and West. On other fronts, however, the Assembly recorded few concrete accomplishments. The Greek case again failed of settlement in the face of increased East-West tension, as did the question of atomic energy control. A decision was reached on the disposal of two of the three former Italian Colonies and the Assembly approved a technical assistance program for backward areas. The only other major accomplishment--the decision to internationalize Jerusalem--will do little beyond damaging UN prestige ( see page 14).

**Soviet Defeat** The session was marked particularly by emphatic registration of almost universal resentment against the obstructive and negative role of the USSR in the field of international cooperation. Unintimidated by Soviet acquisition of an atomic weapon or Soviet threats in the event that Yugoslavia was elected to the Security Council, the majority of UN members overwhelmingly defeated the Soviet proposal for a big-power peace pact. To a greater extent than heretofore, many small nations voted against the USSR on controversial issues, no longer abstaining for fear of offending the Kremlin. The Assembly thus demonstrated conclusively the hollowness and ineffectiveness of the Soviet peace offensive, as well as the decreased usefulness of the UN as a sounding board for Soviet propaganda, except in the Soviet orbit itself. These Soviet setbacks, however, are expected to have little effect

- 2 -

**SECRET**

**SECRET**

on the Kremlin's attitude toward either the United Nations or the prosecution of the cold war.

**Anti-Colonialism**      The debate on the Italian Colonies question was marked by a rising tide of anti-colonial sentiment in the General Assembly. This strong anti-colonial feeling resulted in what may turn out to be a premature promise of independence to the politically immature populations of Libya and Somaliland. The cleavage between colonial and non-colonial powers was further widened by the passage of nineteen resolutions increasing UN supervision over dependent areas. Although France, Belguim, and the UK have threatened non-compliance with some of the UN provisions, the provisions themselves are moderately phrased and should allow the colonial powers considerable freedom to defy the UN without risking more than severe criticism, at least for the time being.

**SECRET**

**SECRET****WESTERN EUROPE**

**Western Labor**    The International Confederation of Free Trade Unions (ICFTU), launched in London last week, is an important milestone in Western labor's efforts to build a unified non-Communist world labor movement and to counteract the influence of the Soviet-led World Federation of Trade Unions. Soviet reaction to the new organization has been violent, partly in recognition of the strong opposition the ICFTU will offer to the Communist drive for control of world labor and partly because the organization primarily reflects the views of US labor rather than the doctrinaire Socialism of the British trade unions. The influence of the US labor organizations on non-Communist European labor will probably increase in coming months, principally as a result of close AFL-CIO collaboration at London. However, the Western labor leaders will face critical problems during 1950 which will test the effectiveness of their organization in areas where the Communists are exerting major efforts toward labor control. Thus, in Western Europe the difficult problem of cooperation with the Catholic unions has still to be worked out. In Latin America, plans for integrating the anti-Communist Confederation of Latin American Labor with the new international must be developed. In the Far East, especially, closer links must be established with native anti-Communist labor forces if the Communist drive to exploit revolutionary nationalism is to be effectively combatted.

**SECRET**

## SECRET

## GERMANY

**Rearmament Proposal**      Chancellor Adenauer, in reversing his public stand on German rearmament with a statement that the West German Government would furnish military units to a Western defense force provided such units received the same status and rights granted those of other nations, probably was motivated by a desire to establish a German military force under circumstances which will avoid a renewal of old French fears of a re-armed Germany. Moreover, Adenauer is probably aware that increased prestige and power would accrue to the West German Government from a partial dependence of the West upon German arms; he also probably realizes that the establishment of the proposed German military force would improve his own stature as a champion of German independence. Adenauer's move at this time to establish a German armed force under the jurisdiction of the Western defense organization will encounter resistance from: (1) those who oppose any kind of a re-constituted armed force for Germany under the present Government; and (2) those who favor German rearmament, but with a fully independent army. The Communists, the Social Democrats, and a considerable proportion of non-party persons will object to establishing a German armed force for a variety of reasons, including political apprehensions, fear of the USSR, and general war-weariness. Those who favor the establishment of a completely independent German Army include a loosely-organized minority of former German officers, who feel that Germany's future can be best advanced by bargaining with both the USSR and the West.

- 5 -

SECRET



**SECRET**

25X1

**ITALY**

**Communist Dissension**      The Italian Communist Party, which has heretofore built its strength on a moderate policy and mass membership, will be confronted to an increasing extent with the problem of "nationalist" deviation. If Tito remains in power until the Italian local and regional elections in the Spring and the Communists make a poor showing at that time, the Italian Communist Party may be split into two groups: a direct action Cominform group with more limited, disciplined membership, and a nationalist party. The major attraction of the Communist Party for Italians has been its dynamic program for alleviating the poor socio-economic conditions in Italy; the primary handicap of the Party has been its unquestioning obedience to the Kremlin, necessitating Communist opposition to obviously beneficial economic aid from the West. Tito's successful "national communism" is encouraging dissident elements in the Italian Communist Party who are active in varying degrees in many large industrial cities of Italy. Efforts are being made by some by the Party members who fought in Spain, among others, to orient the Party toward Italy's national interests rather than toward the program and interests of the Cominform. The local Party in the industrial city of Terni has already formed a nationalist group and a small number of Communist Party members were recently purged for visiting Belgrade. Although no outstanding Communist leaders have been clearly connected with a "nationalist" movement within the Party, several are under suspicion.

- 6 -

**SECRET**

## FRANCE

**Election Fever**    The increasing possibility that French national elections may be held in 1950 is generating a political atmosphere which will make it more difficult for the Bidault Government to put through its legislative program, especially its collective bargaining and budget bills. The election date may be advanced from November 1951 to some time in 1950 if, for example, the withdrawal of the Socialists or moderate Radical Socialists brings about the fall of the Bidault Government. Such a withdrawal, which is becoming increasingly likely as a result of the tendency of these parties in the Assembly to consider legislative proposals in the light of their effect on electoral prospects rather than on their merits, might well be followed by legislation in the Assembly providing for general elections. The Gaullists, who have no direct representatives in the Assembly, have already gotten the support of 80 deputies for dissolution of the Assembly. The Right generally is in favor of dissolution and earlier elections; the centrist Popular Republican Party is divided on the issue; and the Socialists, though generally wary of early elections, may develop a greater fear of seriously compromising their electoral position by remaining in this coalition Government. At the national Congress on 13-14 December, the Socialists revealed their consideration of withdrawal from the coalition by: (1) the confidence expressed by local leaders regarding the party's prospects; and (2) the emphatic statement by the congress of the conditions for continued Socialist participation in the government.

SECRET

**SECRET****N E A R E A S T - A F R I C A****INDIA + PAKISTAN**

Rumblings on Kashmir      Although almost a year has passed since the end of organized fighting in Kashmir, there are indications that the Kashmir issue may still be capable of producing serious trouble. In Pakistan, bitterness toward India has grown steadily in recent months, to a point where it is perhaps more intense than at any time since the Punjab massacres of 1947. In part, this sentiment arises out of such far-reaching factors not directly related to the Kashmir dispute as: India's economic boycott of Pakistan following the latter's refusal to devalue its currency; the continued stalemate over the evacuee property issue; and the water rights dispute, which has been publicized in Pakistan as threatening to turn West Punjab into a desert again. Underlying the irritation regarding these matters, however, is a growing impatience with India's success in delaying the establishment of a fair plebiscite in Kashmir--a vote which the Pakistanis are convinced would be favorable to them. Popular feeling in Pakistan regarding Kashmir will become more intense unless the UN Security Council, in its forthcoming discussion of the Kashmir issue, unexpectedly makes more headway than did the UN Commission for India and Pakistan. Rumblings about the annexation of Kashmir by force are already noticeable, not only among the tribesmen, who would form the spearhead of such a venture, but also among the more stable working-class element in the Punjab.

- 8 -

**SECRET**

**SECRET**

**INDIA - PAKISTAN**

The chances are that the Government of Pakistan, which well realizes that a war with India might prove to be suicidal, will be able both to control its own irritation and to cope with any spontaneous flareup against India. Given the present popular mood, however, it is barely possible that the idea of seizing Kashmir might prove irresistible to the fanatical and traditionally hard-to-control tribal elements. A large-scale, irregular invasion of Kashmir, supported by public opinion throughout Pakistan, might begin eventually, leaving the government little choice but to give the move its official sanction.

- 9 -

**SECRET**

**SECRET**

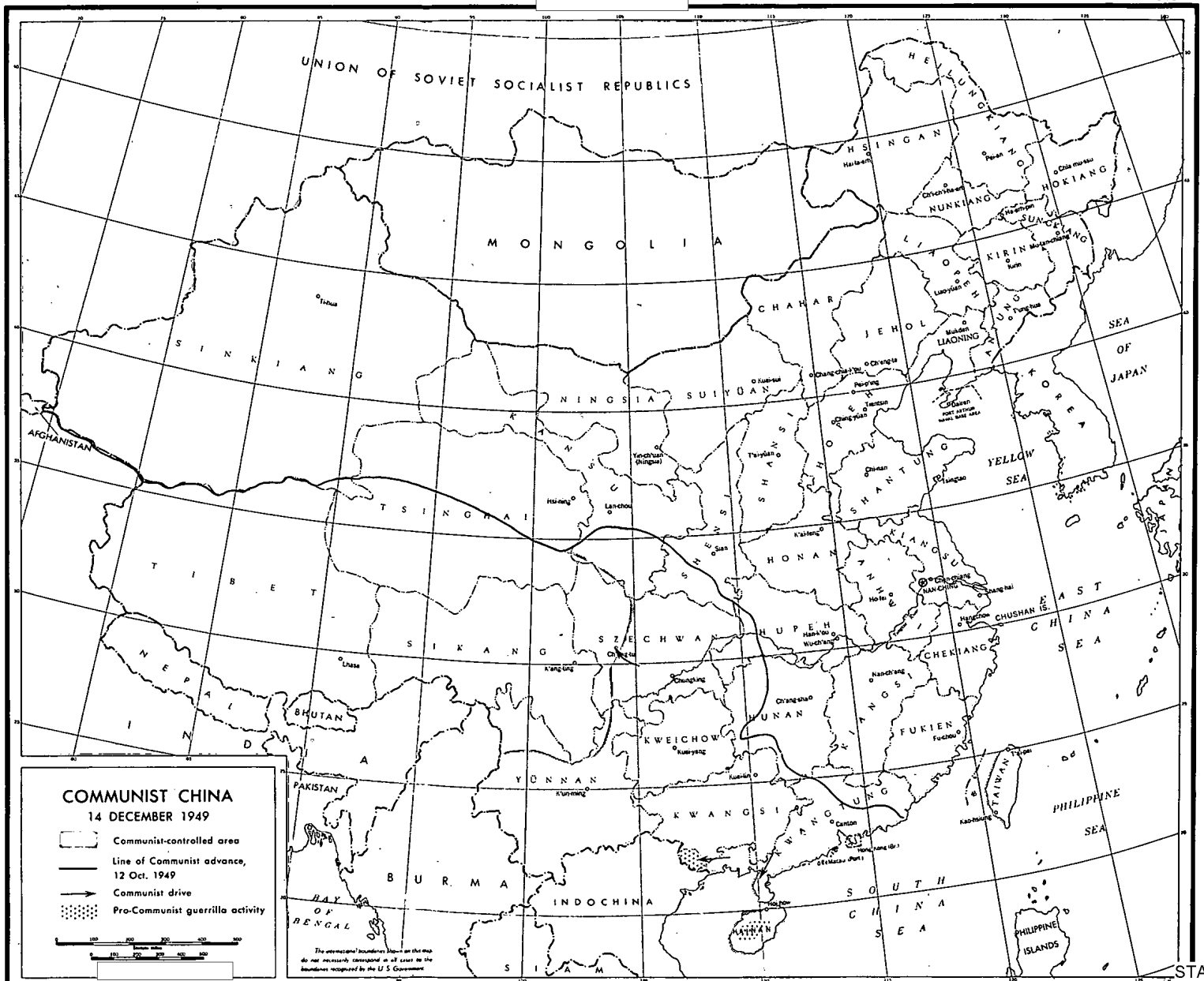
**F A R E A S T**

**CHINA**

**Recognition Prospects**      A number of European and Asian governments have decided to accord de jure recognition to the Chinese Communist Government; the question is now one of timing. India, the UK, and Burma will probably recognize the Peiping regime within the next six weeks. Shortly thereafter, they are likely to be followed by other Commonwealth nations, and by France, the Netherlands, Italy, the Vatican, and Indonesia. By mid-1950, most of the other governments which have maintained diplomatic relations with the Chinese Nationalist Government will probably follow suit.

Although these governments do not regard recognition as implying approval of Communism, they consider non-recognition to be an unrealistic policy. They will recognize the Communists for a variety of reasons: to protect their interests in China and to take advantage of trade opportunities; to acknowledge the "nationalist motivation" of a vital Asian movement; to attempt to exert a moderating influence on the new regime. Some of them entertain hopes that recognition will help to protect their interests elsewhere in Asia, and that the Communists will recognize existing obligations.

The Soviet bloc will undoubtedly publicize recognition as a US diplomatic defeat. General recognition will strengthen the Chinese Communist claim to Nationalist seats in international bodies. Any expansion of trade with the West following recognition is not likely to



**SECRET****CHINA**

weaken Sino-Soviet "friendship"; in fact, such trade will tend to relieve the economic hardships which threaten that "friendship." Moreover, the Chinese Communists, having obtained general recognition, will probably intensify the present discriminatory policy against non-recognizing powers, perhaps expelling their officials, and persecuting and confiscating the property of their nationals.

**Mainland Collapse** The People's Republic of China has now extended its control over all of mainland China except the remote mountainous regions of Sikang and Tibet. In fourteen months the Communist forces have pushed from Manchuria to the French Indochina border and only a few small unoccupied areas remain in Szechwan, the Luichow Peninsula, and along the French Indochina border. Meanwhile,  Communist forces are moving rapidly to take over these areas, and the occupation of Chengtu, already abandoned as the third "temporary Nationalist capital," is expected in a few days. Sikang Province with its "opium king" governor probably will defect as soon as the Communist armies reach the area. Moreover, a strong Communist attack on Nationalist-held Chushan Island impends, and despite recent Nationalist successes there, Communist forces probably will reduce that blockade base in the near future.

STAT

Meanwhile, South China Commander Pai Chung-hsi, having lost the majority of his own troops attempting to withdraw them to Hainan Island, has moved the remainder west to the French Indochina border. Some 20,000 to 25,000 of his troops have reportedly crossed the border

- 11 -

**SECRET**

**SECRET****CHINA**

and been disarmed and interned by the French forces, with another 10,000 reportedly waiting to cross. On Hainan Island, Pai now has some 100,000 to 150,000 disorganized, poorly equipped, mentally and physically defeated troops left to defend the island. The Communists can and probably will gain control of Hainan Island by February.

Meanwhile, Chiang Kai-shek is firmly entrenched on Taiwan, where he awaits the inevitable coming of the Communists. The appointment of K. C. Wu as governor of Taiwan will do little to alleviate growing military and economic instability on the island. Taiwanese unrest and Communist penetration will increase, as will dissatisfaction and bickering in the Nationalist Army, Navy, and Air Force.

**AUSTRALIA**

**Election Results**    The conservative Liberal-Country Party coalition government which unexpectedly came to power in Australia's 10 December general elections will be continually threatened by the Labor majority in the Senate, which has the power at any time to force dissolution of Parliament and call a new general election. Although the Labor Party is unlikely to take such a step for some time, the new coalition will face other obstacles which will limit its ability to remain in power for a full three-year term. In addition to finding a solution to the complex economic problems which were in part responsible for the defeat

- 12 -

**SECRET**



**SECRET**

**AUSTRALIA**

of the Labor Party, the new government will be faced with the delicate problem of preserving an uneasy alliance between two parties with varying and sometimes conflicting interests. Because of the economic and social measures enacted during the Labor Party regime and possible Labor Party obstruction in the Senate, the government may also find it difficult to fulfill all of its campaign pledges, which included return to free enterprise while retaining various Labor-instituted social services, reduced taxes, compulsory military service, secret balloting in trade union strike-votes, outlawing the Communist Party, and repeal of the Bank Nationalization Act.

- 13 -

**SECRET**

**SECRET****THE INTERNATIONALIZATION OF JERUSALEM**

The UN General Assembly decision to internationalize the entire city of Jerusalem will add new elements of confusion to the already confused Palestine situation and will not achieve internationalization. Four factors contributed to the GA's unexpected adoption of the Australian resolution on internationalization: (1) the Vatican exerted sharp pressure on Catholic UN members to secure its passage; (2) the Soviet bloc supported the measure, doubtless with the hope of obtaining a voice in the Holy Land and of driving a wedge between the Anglo-American powers and the UN majority, and in order to register its displeasure against Israel's Western inclinations; (3) the Arab states saw a chance to embarrass Israel; and (4) the Western Powers failed to display leadership in supporting any alternative solution.

The GA thus finds itself committed to a measure which the majority of the delegates privately admit is unrealistic and unenforceable. The expected refusal of Israel and Jordan to cooperate with the Trusteeship Council or to permit the entry of a UN Commissioner into Jerusalem would effectively block implementation of the UN resolution. The Israeli decision to transfer all government departments from Tel Aviv to Jerusalem presents the UN and the world with another fait accompli in Palestine. No method of dealing with this type of action has been found in the past, and it is difficult to see what effective countermove can be taken in the present case. The SC would be empowered to act only if there should be a threat of or a recurrence of fighting in Jerusalem between Jordan and Israel. Such a development appears unlikely inasmuch as the recent GA decision does not affect the existing armistice between

- 14 -

**SECRET**

**SECRET**

Israel and Jordan. These states are likely to work together; at least to the extent of preventing incidents which would present the SC with grounds for intervening in Jerusalem.

Nevertheless, the General Assembly resolution will have significant consequences. Israel may for the present modify its efforts to maintain a neutral position between the Soviet and Western worlds. The Israeli Government has already halted all further transfer of Russian church properties to the USSR, and there have been a considerable number of defections from the Israeli Communist Party. The UN, however, has laid itself open to charges of irresponsibility, and the effectiveness of its machinery in other aspects of the Palestine case will be seriously impaired. The Palestine Conciliation Commission, which meets in Geneva in January to continue its efforts to lead Israel and the Arab states toward a comprehensive peace settlement, will certainly find Israel no more cooperative than in the past. Israel will almost surely intensify its efforts to negotiate directly with the Arab states, although there is little reason to believe that it is any more prepared now than formerly to moderate its major claims. With the exception of Jordan, the Arab states will take courage from Israel's defeat in the UN on the Jerusalem issue to maintain their policy of general intransigence and ostracism toward the Jewish state.

Now that the GA has passed the resolution, it is likely that some formula will be sought to permit the UN to retreat from its present difficult position. Former UN Mediator Bunche has already suggested that the Trusteeship Council might call on Jordan and Israel to state what action they are prepared to take to internationalize Jerusalem. On

- 15 -

**SECRET**

**SECRET**

receipt of the expected negative answers, the Trusteeship Council could then report to the next GA its inability to implement internationalization. Pending subsequent UN action, the peace of the city and the safety of the Holy Places and access to them will continue to depend entirely on Israel and Jordan.

- 16 -

**SECRET**

**SECRET****DISTRIBUTION**

1. . . . . The President
- 2,64. . . . . Secretary of State
- 3,4 . . . . . Secretary of Defense
5. . . . . Secretary of the Army
6. . . . . Secretary of the Navy
7. . . . . Secretary of the Air Force
- 8,70. . . . . Chairman, National Security Resources Board
- 9,71. . . . . Executive Secretary, National Security Council
10. . . . . Assistant Secretary of the Navy for Air
- 11,69. . . . . Chief of Staff, US Army
- 12,13,14. . . . . Director of Naval Operations
- 15,16,17. . . . . Chief of Staff, U.S. Air Force
18. . . . . Director of Plans and Operations, General Staff, U.S. Army
19. . . . . Deputy Chief of Staff (Operations) U.S. Air Force
20. . . . . Deputy Chief of Naval Operations (Operations)
21. . . . . Director of Plans and Operations, U.S. Air Force
- 22,23,24. . . . . Special Assistant to Secretary of State for Research  
and Intelligence
- 25,26,27,28,29, . . . . . Director of Intelligence, General Staff, U.S. Army
- 30,31,32,33,34. . . . .
- 35,36,37,38,39, . . . . . Chief of Naval Intelligence
- 40,41,42,43,44. . . . .
- 45,46,47,48,49... . . . . Director of Intelligence, U.S. Air Force
50. . . . . Director of Security and Intelligence, Atomic Energy Com.
51. . . . . Executive Secretary, Military Liaison Committee,  
Atomic Energy Commission
- 52,53,54,55,56. . . . . Chief, Acquisition & Distribution Division, OCD, Dept. State
57. . . . . Director, Federal Bureau of Investigation
58. . . . . Secretary, Joint Chiefs of Staff
59. . . . . Chief, Policy Planning Staff, Department of State
60. . . . . Secretary of State (Attention: Chief, Policy Report Staff)
61. . . . . Deputy Director, Joint Intelligence Group, Joint Staff
- 62,63. . . . . Secretary, Joint Intelligence Group, Joint Staff
65. . . . . US Air Force Representative on Joint Strategic  
Survey Committee
68. . . . . Administrator, Economic Cooperation Administration

**SECRET**

Document No. 001  
NO CHANGE in Class. ☐  
☒ DECLASSIFIED  
Class. CHANGED TO: TS 0 0  
DDA Memo, 4 Apr 77  
Auth: DDA REG. 77/1763  
Date: 31-1-78 By: 013

~~SECRET~~